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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

USA Commercial Mortgage Company,

USA Capital Realty Advisors, LLC,

USA Capital Diversified Trust Deed Fund,  
LLC,

USA Capital First Trust Deed Fund, LLC,<sup>1</sup>

USA Securities, LLC,<sup>2</sup>

Debtors.

**Affects:**

- ☐ All Debtors  
☒ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR  
Case No. BK-S-06-10726-LBR  
Case No. BK-S-06-10727-LBR  
Case No. BK-S-06-10728-LBR<sup>1</sup>  
Case No. BK-S-06-10729-LBR<sup>2</sup>

**CHAPTER 11**

Jointly Administered Under Case No.  
BK-S-06-10725 LBR

**DECLARATION OF EDWARD M.  
BURR IN SUPPORT OF MOTION  
TO FURTHER EXTEND DEADLINE  
TO FILE OBJECTION TO  
ALLOWANCE OF CLAIMS**

Date: May 8, 2008

Time: 10:30 a.m.

I Edward M. Burr, hereby declare under penalty of perjury that:

I am a principal with Sierra Consulting Group, LLC ("Sierra").

<sup>1</sup> This bankruptcy case was closed on October 12, 2007.

<sup>2</sup> This bankruptcy case was closed on December 26, 2007.

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1 I submit this declaration on behalf of the Motion to Further Extend Deadline to  
2 Object to Allowance of Claims (the “Motion”) [DE 6209] filed by the USACM  
3 Liquidating Trust (the “USACM Trust”), as successor to USA Commercial Mortgage  
4 Company (“USACM”).

5 Sierra previously served as financial adviser to the Official Committee of  
6 Unsecured Creditors of USA Commercial Mortgage Company (“Committee”).

7 I assisted the Committee in analyzing facts concerning these jointly administered  
8 bankruptcy cases, including scheduled liabilities and proofs of claim. The Committee  
9 ceased to exist on March 12, 2007, the Effective Date of the Debtors’ Third Amended  
10 Joint Chapter 11 Plan of Reorganization (“Plan”), and I am now assisting the USACM  
11 Liquidating Trust (“USACM Trust”) created under the Plan.

12 I make the following declaration based upon my personal knowledge, and upon the  
13 records of the Debtors and the USACM Trust described in this declaration.

14 I understand that under the Plan as modified by the Confirmation Order, the  
15 deadline for interested parties to object to Allowance of Claims and Equity Interests was  
16 90 days after the Effective Date, or June 10, 2007. That deadline was further extended to  
17 October 9, 2007 by a June 29, 2007 order [DE 4097] after a hearing held on June 22, 2007.  
18 The deadline was further extended to October 15, 2007 by a bridge order that was  
19 approved at a hearing held on August 23, 2007 [DE 4625]. On October 11, 2007, the  
20 Court entered an order [DE 4971] extending the deadline to February 12, 2008. On  
21 January 22, 2008, the Court entered an order [DE 5709] extending the deadline to June  
22 12, 2008.

23 At the time of the filing of the original Motion to Extend Deadline to file Objection  
24 to Proofs of Claim, approximately 2,465 proofs of claim had been filed claiming:  
25 \$2,812,293.40 as administrative; \$286,969,330.16 as secured; \$4,479,076.12 as priority;  
26 and \$453,310,042.10 as unsecured. Since that Motion was filed approximately 120 more

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1 claims were filed and claims were amended. This compares to approximately 2,419 newly  
2 scheduled claims comprised of, in the aggregate, \$169,742 in newly scheduled priority and  
3 \$40,439,356 in unsecured claims.

4 Sierra has been working with BMC Group, Inc., the Court-authorized Claims Agent  
5 for the Debtors, to prepare an accurate database for claims analysis and reconciliation as  
6 well as for disbursement purposes once the allowed amounts are known. It now compares  
7 the scheduled and proof of claim amounts.

8 As of this date, the USACM Trust has filed:

- 9 • Objection to 1,738 claims filed as secured in the amount of \$318,828,005.20;
- 10 • Objection to 11 commission priority claims in the amount of \$207,424.87;
- 11 • Objections to 124 other claims filed as priority in the amount of  
12 \$18,172,906.66;
- 13 • Motion to reclassify three claims in the amount of \$941,010.58;
- 14 • Objections to 69 “wrong Debtor” claims in the amount of \$11,839,706.10;
- 15 • Objections to three claims not enforceable against USACM in the amount of  
16 \$75,503,580.13;
- 17 • Objections to 165 claims for lack of documentation in the amount of  
18 \$21,244,657.37;
- 19 • Objection to 27 claims on miscellaneous grounds in the amount of  
20 \$40,973,036.64.
- 21 • The vast majority of these objections were sustained by the Court. A  
22 stipulation has been entered into which provides for the disallowance of the  
23 Spectrum and Weddell proofs of claim as claims that are not enforceable against  
24 the USACM Liquidating Trust, or are duplicate claims in the approximate  
25 amount of \$125,000,000.
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1 A Motion for Summary Judgment Regarding (1) Responses to the USACM Trust's  
2 First Through Thirty-Third Omnibus Objection to Claims Asserting a Secured Status; (2);  
3 Responses to USACM Trust's First through Third Omnibus Objections to Claims  
4 Asserting a Priority Status; and (3) Newly Alleged Secured and Priority Claim [DE 4391]  
5 was filed on July 30, 2007. The motion sought to reclassify approximately 110 claims in  
6 the aggregate amount of over \$17,500,000 as general unsecured claims. The motion came  
7 on for hearing on October 15, 2007. Orders sustaining the objections and granting the  
8 motion for summary judgment on approximately 95 claims were entered. Stipulations  
9 have been reached with seven other claimants. Hearings have been scheduled on the  
10 remaining claimants.

11 In addition, the Trustee has filed 482 objections to Direct Lenders claims in the  
12 amount of \$33,424,883, principally on loans paid in full

13 Further, as the USACM Trust has received information from claimants, it has  
14 entered into stipulations for the allowance and disallowance of priority and secured claims.  
15 Conversely, some claimants have stipulated to either withdraw their claims or have them  
16 reclassified as unsecured claims upon discussion with the USACM Trust's counsel.

17 By the time the Court hears this Motion, the USACM Trust will have filed omnibus  
18 objections related to the approximately 31 loans that were fully performing. The total  
19 value of the claims based upon investments in those loans is approximately  
20 \$72,043,409.60.

21 The other direct lender claims relate to loans that (1) fully performed, but involve  
22 diverted principal; (2) partially performed; (3) are non-performing or still outstanding.  
23 The extent to which those loans perform and/or the direct lenders may be compensated  
24 from the sale of collateral securing the loans has a major impact on the amount of the  
25 claims. The Trustee is handling these claims on a loan by loan basis.  
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1 When all of the direct lender claims are sorted on a loan by loan basis, the USAM  
2 Trust will then work through the paid loans to see if there is a valid basis for a claim, and  
3 if so, in what amount. The USACM Trust is trying not to file an objection to any claim on  
4 a particular direct loan until it is prepared to meet and confer with all of the claimants on  
5 that loan under the alternative dispute resolution mechanism provided by the Plan.

6 I make this declaration under penalty of perjury of the laws of the United States of  
7 America on April 14, 2008.

8 By /s/ Edward M. Burr  
9 Edward M. Burr